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‘Macro-regionalisation’ as a New Form of European Governance: The Case of the European Union’s Strategies for the Baltic Sea and the Danube Regions

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Abstract: With the adoption of the EU Strategies for the Baltic Sea Region in 2009 and the Danube Region in 2011, the European Union (EU) set out to forge a new ‘macro-regional’ approach focussing on functional and territorial cooperation in areas such as transport and environmental policy. Drawing on the multi-level governance approach, this paper argues that the EU’s macro-regional strategies affect (1) horizontal interplay between the EU and macro-regional institutions; (2) vertical interplay within macro-regions, in particular the involvement of subnational authorities and civil society; and (3) the relationship between EU member states and non-member states. The macro-regional policy process provides the European Commission with a central role in various phases of policy-making and implementation of macro-regional strategies. The paper discusses whether ‘macro-regionalisation’ leads to a new form of EU governance and demonstrates that macro-regional strategies change existing institutions because they co-opt non-EU institutions into EU policy-making; affect the implementation of existing legislation which can be stimulated by macro-regionalisation; and transform existing funding schemes since they require an alignment of project funding through Structural Funds.

1. Introduction

With the adoption of its 'macro-regional' Strategies for the Baltic Sea Region (EUSBSR) and the Danube Region (EUSDR) in 2009 and in 2011 respectively, the European Union (EU) has paved new ground for European territorial cooperation. 'Macro-regions,' such as the Baltic Sea and the Danube regions, cover – according to a definition put forth by the then EU Commissioner for Regional Policy, Pawel Samecki (European Commission 2009) – “an area including territory from a number of different countries or regions associated with one or more common features or challenges” (European Commission 2009). 'Macro-regional' strategies aim to fulfill three core objectives: By drawing functional cooperation and territorial cohesion closer together, these strategies constitute first and foremost “a tool of European integration and increased territorial cohesion [...] [providing] a way to promote the territorial dimension of EU policies and cooperation” (Dubois 2009: 10). Second, macro-regional strategies seek to encourage collective action of public and private actors (see Gänzle and Kern 2011) in areas such as transport, infrastructure and environmental policy by fostering a trans-boundary perspective. Finally, macro-regional strategies help implement the goals of EU-level programs for economic growth, development and innovation such as EUROPE 2020 and Horizon 2020 at a regional scale. Hence, macro-regional strategies can be interpreted as measures to combat the EU financial and economic crisis by proposing better mechanisms for the comprehensive coordination of scarce budgetary resources. Building on a stock of historical and cultural commonalities, macro-regions are first and foremost 'construed' around a common regional sea or a river, thereby responding to need-driven or functional cooperation which “transcend[s] all territorial frontiers” (Forsyth 1996: 29) in an almost classical functionalist sense. Since such functional or “soft spaces” (Metzger and Schmitt 2012; Sielker 2012; Stead 2011) that stretch across national boundaries, have always existed, 'macro-regionalisation' (see Gänzle and Kern 2011; Salines 2010: 27) is *prima facie* not an entirely new phenomenon.ⁱ What is new, however, is that the strategies directly impact on the construction of macro-regions itself.

With respect to the composition and number of countries involved, both the Baltic Sea and Danube macro-regions differ quite significantly from each other. The EU Strategy for the Baltic Sea Region targets eight EU member states as well as two 'partner countries' of North-East Europe, and can almost be conceived as an EU internal strategy.ⁱⁱ The EU Strategy for the Danube Region, in contrast, is not only far more diverse, it also exhibits a strong external focus by covering fourteen countries in total from the source of the river to its estuary. It brings together eight EU member states and six accession, candidate and partner countries (and sub-national authorities thereof) of the European Neighbourhood Policy (ENP).ⁱⁱⁱ More recently, other 'macro-regions', such as the Ionic-Adriatic basin, the Alpine and the North Sea region, have started to self-identify, and are in the process of developing similar strategies with a view to following “the inspiration from the EU Strategy for the Baltic Sea Region and the Danube Region” (North Sea Commission 2011: 2). These developments almost seem to suggest that some parts of Europe have succumbed to “macro-regional fever” (Dühr 2011: 3) and warrant a critical assessment of this “‘nouvelle vogue’ of transnational cooperation” (Cugusi and Stocchiero 2012).

Although the EU stated that the EU Strategies for the Baltic Sea and the Danube Regions will not be accompanied by the establishment of new institutions, legislation and

funding – the so-called three ‘No’s’ –, we argue that these strategies still have significant repercussions for the existing institutional capacities within a given macro-region. They influence both existing institutions as well as the implementation of EU legislation and require the alignment of projects funded through the EU Structural Funds. While it is too early to evaluate the long-term impact of EU macro-regional strategies, it is possible to analyse the preliminary effects triggered by the EU strategies for the Baltic Sea and the Danube Regions. Ultimately, we conclude that macro-regions have the potential to complement the existing architecture of multi-level governance in Europe.

This paper proceeds as follows: It discusses the conceptual roots (section 2), the development of macro-regions and the organisational set-up of macro-regional strategies (section 3). Subsequently, it explores the multi-level governance (MLG) approach as an analytical tool for assessing macro-regional strategies (section 4). It then assesses the impact of the two existing EU macro-regional strategies – the EUSBSR and the EUSDR – *vis-à-vis* the horizontal and vertical interplay and the mobilisation of EU member and non-member states (section 5) and finally draws first conclusions with respect to this new form of European governance (section 6).

2. Toward macro-regionalism and macro-regional strategies in the European Union

Two doyens of European federalist and regionalist thinking, Pierre Joseph Proudhon and Dennis de Rougemont, have argued in favour of strengthening regions as a means for safeguarding the principles of subsidiarity and democracy within larger federal entities. Over time, these considerations have been captured by the concept of a 'Europe of the Regions' (see Ruge 2003 for a thorough discussion). Politically, this idea implies that regions would ultimately challenge the central position of the nation state in the political order of Europe.

In response, the EU and its member states took steps to embrace regions and municipalities in specific areas of EU policy-making and, in general, to become more 'region-friendly', especially in the Treaty of Maastricht of 1992. Hence, a number of provisions and institutional arrangements have been introduced such as the Committee of the Regions, a consultative body composed of representatives from regions and municipalities of member states. Since it was established in 1994 regional and local representatives provide input on policy matters of regional concern, such as transport policy (Warleigh 2001: 177ff.). Subsequently, and perhaps more adequately, the concept was changed to the idea of a 'Europe with (rather than of) the Regions' (Borrás-Alomar et al 1994: 27; Hooghe and Marks 1996). In a nutshell, a 'Europe of/with the regions' advocates increasing the capacities of regions to conduct autonomous action within the EU, a process which has subsequently been complemented by closer links between national, regional and local actors.

More recently, Claus Leggewie has argued that 'regional associations' may ultimately serve as important cornerstones for a new type of European federalism:

"A Europe of the Regions has so far been envisaged and arranged on far too small a scale, as a provincial prop for a large quasi state ruled from Brussels and legitimised from the capitals. Regional associations may revive the good old principle of European federalism – they rise above the nations that often operate today as blockading powers, but they are also still near enough to the cultural characteristics and networks of the people of Europe" (Leggewie 2012).

The empowerment of "a Euro-Mediterranean Union, a Baltic Sea Union" (Leggewie 2012; see also Frey 2012) and other settings of cooperation between the level of member states and the EU started after the end of the Cold War. At the beginning of the 1990s, the European Commission's *Europe 2000* report on the future of the then European Community's territory endorsed the idea of 'regional groupings' such as the one constituting the Baltic Sea region quoted in Delmaide 1994: 5). Darrell Delmaide even foresaw a "rise of superregions" (1994: 4) within the territory of the European Union. Toward the end of the 1990s, collaboration amongst riparian countries of the Baltic Sea region was captured under the label of Europe's 'new' or 'peripheral sub-regionalism' (see Cottey 1999; Dangerfield 2009, 2010; Dwan 2000; Hubel and Gänzle, 2002; Johansson 2002) – as opposed to old forms of sub-regionalism, such as the Benelux group or Nordic cooperation starting in the 1940s and 1950s.^{iv} The established track record in cooperative efforts across various levels of governance has hitherto informed EU approaches toward the region from its 'Union Approach Towards the Baltic Sea Region' of October 1994 to the 'Strategy for the Baltic Sea' (see Herolf 2010: 6-10),

launched fifteen years later, as a “new model for co-operation to inspire other regions” (Hahn 2010).

3. Drivers and development of macro-regional strategies in the European Union

The development of macro-regions is facilitated, if not driven by developments at both the EU and the macro-regional level. Important drivers, with a view to the European Union, include, first, the Treaty of Lisbon objective to achieve territorial cohesion, alongside social and economic cohesion,^v which requires the mainstreaming of the territorial dimension in future EU policy-making and implementation; second, a need to improve the effective use of resources through cross-policy coordination as a result of the budgetary constraints emerging from the ongoing economic and financial crisis in the EU; third, EU enlargement and the growing heterogeneity of the European Union leads to macro-regions that encompass old member states, new member states, non-member states as well as candidate countries and that serve as a means to strengthen ties between a wide range of EU actors and stake-holders from the EU, national and subnational levels.

The emergence of actual macro-regions is also conditioned by the characteristics of regions themselves: biophysical features of macro-regions (in particular regional sea areas, river systems, mountain areas) which constitute a common pool and the need for collective action; increasing economic (inter)dependencies among the territories within a macro-region; a common historical and cultural heritage of macro-regions such as the Hanseatic tradition in the Baltic Sea Region; and strong and active sub-national authorities and civil society actors that cross boundaries and take action at macro-regional scale.

The EU's successive rounds of enlargement in 2004 and 2007 served as the points of departure for the EU Strategies for the Baltic Sea and the Danube Regions. With the accession of Poland and the three Baltic States in 2004 and Romania and Bulgaria in 2007, the situation in the Baltic Sea and the Danube Regions changed fundamentally and turned the Baltic Sea and the Danube into almost entirely internal water bodies – with the Russian Federation as the only exception in the Baltic Sea Region and Moldova, Ukraine, and the Balkan countries (the latter in line for EU accession in the future) as exceptions in the Danube Region. Although the first steps to initiate a Baltic Sea Strategy were taken by the European Parliament (Antola 2009: 5), in both cases the member states – and, in particular, subnational authorities such as Baden-Wuerttemberg – played a pivotal role in launching the Strategies. The development of the Danube Strategy also shows a shift of power and influence from the European Parliament to the European Commission. The Commission facilitated and later actively shaped the process, while pursuing an independent and holistic approach compatible with existing policies.

In 2004, MEPs from the member states in the Baltic Sea Region formed a 'Euro-Baltic Intergroup' and presented the Strategy one year later to European Commission President José Manuel Barroso. The core idea of the initiative was to maximise the potential of the re-united Baltic Sea Region (see Beazley 2007). In contrast, the influence of the Danube Forum, a network of parliamentarians from the Danube region in the European Parliament, was limited. This was because it was only set up in July 2009, at a time when the drafting of the strategy document was already under way, and it did not manage to acquire the formal status of a parliamentary 'inter-group.'^{vi} As the debates on the Lisbon Treaty had shown that territorial cohesion would become an objective of the

Treaty, the European Commission took the lead with regards to furthering the strategy. In December 2007, the European Council asked the Commission to present an EU Strategy for the Baltic Sea Region, which should *inter alia* help to address the urgent environmental problems in the region. In June 2009, a few months after the end of the consultation process, the Commission, led by DG Regio, submitted the EUSBSR (together with an action plan), and the European Council adopted it. In October 2008, the EU Commissioner for Regional Policy launched the first steps toward the development of the Danube Strategy – in close consultation with Romania, Austria, Germany (in particular Bavaria and Baden Wuerttemberg) and supported by Serbia. The EUSDR was adopted in 2011 during the Hungarian Presidency of the Council of Ministers (see Ágh 2012).

The Strategies for the Baltic Sea and the Danube Regions are based on four policy areas namely on environmental protection, economic development, infrastructure improvement and soft security;^{vii} the set-up of the strategies looks very similar although there seems to be more emphasis on the environmental pillar in the Baltic Sea Region.^{viii} In the Baltic Sea and the Danube Strategies the four areas are complemented by horizontal actions that aim to integrate the tasks and are broken down into different so-called priority areas (like biodiversity or competitiveness). The idea is to set specific indicators/targets and make different member states responsible for implementing these tasks. Each priority area is coordinated by administrative managers from two different states participating in the strategy (so-called priority area coordinators or PACs in short). They initiate ideas, support the implementation of the EU structural policy in the macro-region, and are assisted by steering committees which bring together several interested stakeholders. In the case of the EUSBSR, there are also five Horizontal Action Leaders (HALs) – focussing on horizontal themes, such as ‘neighbours’ or ‘spatial planning.’ Several macro-regional organisations – the Secretariats of the Northern Dimension Partnership in Public Health and Social Well-Being (NDPHS), the Council of the Baltic Sea States, the Helsinki Commission (HELCOM) and Vision and Strategies around the Baltic Sea (VASAB) – actively take part in the implementation of the strategy as PACs or HALs. Apart from the increasing visibility of the member states and – in the case of the EUSBSR – macro-regional organisations in this process, the Commission has acquired an important role because it is in charge of coordination, organises the annual forum, and assumes the leadership in so-called ‘flagship projects.’ Only in a few priority areas do subnational governments and other actors serve as coordinators. In the case of the EUSDR, for example, Baden Wuerttemberg and Croatia joined forces in order to ‘support the competitiveness of enterprises’ (see European Commission 2011).

EU macro-regional strategies are not developed in an institutional vacuum; hence the institutional interplay between existing institutions and EU macro-regional strategies are essential for a better understanding of the implications and impacts of these new tools of EU governance. Stake-holder and public consultations as well as annual fora^{ix} of the EUSBSR and the EUSDR, which serve as a platform for networking and assessing the progress of implementation achieved thus far, have included a wide range of public and private actors from various levels and sectors in the making and developing of the strategies.

EU macro-regional strategies do not have budget lines of their own and are, for the time being, funded by existing European, national and regional budgets and programs such as the EU’s Cohesion Policy. The main sources of funding are the Baltic Sea Region Programme, South Baltic Programme, Central Baltic Programme, TEN-T Schemes and

the Nordic Council of Ministers (European Commission 2013: 13). The European Parliament has been successful in providing means to finance technical assistance to both the EUSBSR and the EUSDR. In the case of the Baltic Sea region, €50 billion have been allocated to the region through its regional funds during the current financial term 2007-2013. The Common Fisheries Policy (CFP) contributes another €1.25 billion. Moreover, the Commission has announced that it will “work with the managing authorities to help them ensure that allocations are aligned with the strategy” (European Commission 2009: 5). The debate whether macro-regions could become an important medium for programming and delivering EU funding is still on-going and may become a key issue in the broader debate on the cohesion policy for 2014-2020. For the period 2014-2020, the Commission has introduced new integrating tools that can be used to implement territorial strategies on the ground. Integrated Territorial Investments (ITIs), for example, are a new instrument designed for a place-based approach that can assist in unlocking the under-utilised potential at local and regional levels. The new programming period (2014-2020) may thus empower macro-regional actors by ensuring their involvement in program preparation and implementation. Furthermore, seed money has now been made available for the implementation of the EUSBSR supporting networking activities, small cooperation projects and strategic partnerships in the Baltic Sea Region (EUSBSR News, November 2012: 6).

4. A framework for analysis: EU multi-level governance and macro-regionalisation

Macro-regions are deeply embedded in the EU's system of multi-level governance and can therefore be interpreted from multi-level, multi-sector and multi-actor perspectives (Hooghe and Marks 2010; Piattoni 2010). From a holistic perspective, the process of macro-regionalisation can be conceived as a shift from territorial to functional regions, with significant implications for macro-regions, in particular *vis-à-vis* their spatial dimension, boundaries, institutional set-up and the way they are governed (see table 1 below). This is not restricted to changes of powers across levels of government, but implies territorial rescaling (Keating 2009), new scales of intervention, new actor constellations, as well as variable geometries of governance (Stead 2011: 163). The boundaries of macro-regions are not only fuzzy they may also differ between the different policy fields embraced by a macro-regional strategy. Since the boundaries which are, for example, relevant for environmental policy on the one hand (e.g. drainage areas) and soft security on the other may differ considerably, integrating macro-regional strategies and developing appropriate institutional structures presents a real challenge. Policy integration can be achieved by improving vertical and horizontal interplay across policies and actors. This involves the political mobilisation not only of EU actors but also those from civil society and (sub-)national authorities in both EU member states and partner countries.

[Table 1 about here]

Although the concept of multi-level governance has become a buzzword in the field of European Studies, its meaning and usage is still useful and appropriate. In a nutshell, multi-level governance

“can be defined as an arrangement for making binding decisions that engages a multiplicity of politically independent but otherwise interdependent actors – private or public – at different levels of territorial aggregation in more-or-less continuous negotiation/deliberation/implementation, and that does not assign exclusive policy competence or assert a stable hierarchy of political authority to any of these levels” (Schmitter 2004: 49).

Most importantly, the concept considers governance with regard to the local, national, regional and international levels, takes geographical scales into consideration and draws our “attention to three novel developments of contemporary political life” (Piattoni 2009: 2), including *political mobilisation* within and across institutional boundaries, *policy-making* that blurs the lines between policy-makers and policy-receivers and, ultimately, *polity* that produces policy decisions that are less and less understandable as fixed and established (see Piattoni 2009; 2010). From that angle, we propose to explore first the horizontal interplay between institutions; second the vertical interplay, including the role of sub-national authorities and civil society; and, last, but not least third the relationship between EU members and non-members.

The governance of multi-level systems works best if *horizontal interplay* leads to synergies. This is relevant for macro-regions because macro-regional strategies create a new layer of governance between the European Union and the ‘national’ level of member states and partner countries (Salines 2010; Schymik 2011). Macro-regions

transcend the nation-state because they constitute new functional regions which provide new opportunities for the transnational cooperation of subnational actors. Horizontal interplay refers, for example, to the interplay between EU institutions and regional sea conventions, which can lead to synergies as well as disruptions (see Oberthühr and Stokke 2011; van Leeuwen and Kern 2013).

Vertical interplay deals with the relations of institutions at different levels. Macro-regionalisation provides new political opportunities for subnational authorities and civil society in the region. If subnational authorities establish transnational networks, for example, they can develop into constitutive elements of macro-regions. The main goals of such transnational networks are, first, representation and lobbying in the macro-region but also in Brussels; second funding of common activities, for example by membership fees or EU funding; and third best/good practice transfer and learning among their members in the macro-region (Kern and Bulkeley 2009; Kern 2013). As macro-regionalisation transcends EU borders, multi-level governance embraces both EU member and non-member states. The inclusion of (parts of) non-member states is a common feature of all macro-regional strategies which have been developed or proposed so far. With respect to the non-member states, it can be argued that macro-regional cooperation, in particular the establishment and consolidation of macro-regional institutions, may be conducive to processes of socialisation in the macro-region. In the next section, we will examine how the EUSBSR and the EUSDR have affected the horizontal and vertical interplay between institutions, the role of sub-national authorities and civil society as well as the relationship between EU member and non-member countries in the respective region.

5. The impact of EU macro-regional strategies in the Baltic Sea and Danube Regions

Although the establishment of new institutions is not intended within the framework of EU macro-regional strategies, the strategies do affect the existing institutions and stimulate new forms of institutional interplay; in other words, macro-regional strategies need to be embedded in the already existing institutions operating at the macro-regional level. The combination of vertical and horizontal interplay with such organisations and conventions are very important for the implementation of the strategy itself, e.g. for the establishment and implementation of priority areas and so-called flagship projects.

Horizontal interplay: the role of international organisations

In the Baltic Sea Region, amongst the most important institutions at macro-regional level are the Council of Baltic Sea States (CBSS) and the Helsinki Commission (HELCOM). Although the European Union had joined the Helsinki Convention as early as in 1992, its influence on marine governance in the Baltic Sea Region has remained rather limited thus far. In the Council of Baltic Sea States, in turn, which was established in 1992 (Etzold 2010) with the aim of coping with the region's challenges after the end of the Cold War and building trust and security, the Commission's influence was rather marginal, too.^x Now, however, the EUSBSR provides the European Commission with a central – if not policy entrepreneurial – role in the decision-making of the EUSBSR with the EU member and partner countries much more relegated to matters of implementation.

The environmental pillar of the EUSBSR in general, and the priority areas of this pillar in particular, overlap with the core tasks of HELCOM, the executive body of the Helsinki Convention which was set up in 1974 to foster international environmental cooperation in the region. HELCOM's main goal is to protect the marine environment of the Baltic Sea from all sources of pollution and to restore and safeguard its ecological balance. After the convention was updated and broadened in scope, it was signed in 1992 and entered into force in 2000. The HELCOM Baltic Sea Action Plan (BSAP) was adopted in 2007 and has since then established the framework for action (Kern 2011). The institutional interplay and the resulting synergies between HELCOM's Baltic Sea Action Plan (BSAP) and the EUSBSR are evident because the EU Strategy recommends the implementation of the BSAP (European Union 2010: 144 ff.).

The EU relies on a relatively broad network of existing institutions in the macro-region such as HELCOM and CBSS. Such well-established institutions do not exist in the Danube Region. The only outstanding exception for cooperation in South-East Europe during the Cold War period was the Danube Commission, an international intergovernmental organisation which was set up in 1948 when its member states signed the Belgrade Convention (Convention regarding the regime of navigation on the Danube). It is the primary task of the Danube Commission to provide and develop free navigation on the Danube for the commercial vessels and strengthen economic and cultural relations between the members. Many other forms of cooperation in the regions, such as the EU's Stability Pact for the Balkans and the Danube Cooperation Initiative, only emerged in response to the Yugoslav conflicts of the early 1990s (Busek 2012: 31).

It can be concluded that institutional capacities vary considerably between both EU macro-regions, and that the success of macro-regional strategies will eventually depend on the institutional capacities of each macro-region. The synergies resulting from the institutional interplay between the EU and HELCOM are most striking in this respect. While HELCOM is in a position to influence decision-making in Brussels, the EU, in turn, can utilise HELCOM as some kind of regional environmental protection agency. Furthermore, the European Commission maintains the important role of ensuring that EU legislation is implemented in the macro-regions. The case of the Marine Strategy Framework Directive (MSFD) shows the impact of macro-regional strategies on the institutional interplay between international institutions such as HELCOM and EU institutions. The MSFD has been built on the experience of HELCOM's Baltic Sea Action Plan, and the Commission uses the macro-regional approach to systematically empower HELCOM guidelines that have thus far been only politically binding. It is also evident that the Commission enjoys the role of a watchdog with regards to policy coherence. Although it is certainly right to emphasise that macro-regional strategies are law-shaping rather than law-making (Schymik 2011: 17), one should not ignore the fact that the EU is also in a process of co-opting existing institutions to implement EU legislation. The analysis of existing environmental legislation such as the WFD and the MSFD on the one hand and the EUSBSR on the other shows the interplay between the Strategy and EU legislation. Although the EUSBSR has not created new legislation, it aims to improve the implementation of existing EU legislation (European Union 2010).

Vertical interplay: the role of subnational authorities and civil society

Macro-regionalisation provides new political opportunities for subnational authorities and civil society. If subnational authorities establish transnational networks, for example, they can develop into constitutive elements of macro-regions. The Baltic Sea and the Danube Strategies differ with respect to the institutional capacities in the macro-region. Examples include the 100-member-strong Union of the Baltic Cities (UBC) and the Baltic Metropolises Network who are playing an active role in the implementation of EUSBSR. They also have a long history of co-operation and are relatively well-equipped. Until now only a few networks are operating in EUSDR, such as the Council of the Danube Cities and Regions (CoDCR), and their co-operation is less institutionalised. Interestingly, Peter Langer, general coordinator of the CoDCR, affirmed that “the UBC ultimately provides a model for the Council which currently brings together approximately 40 cities and regions in the Danube area” (author's interview, 22 February 2013).

The main goals of such transnational networks are first representation and lobbying in the macro-region but also in Brussels; second funding of common activities, for example by membership fees or EU funding; and third best/good practice transfer and learning among their members (Kern 2013). In the Baltic Sea region the cooperation between Hanseatic cities, and in particular the twinning relationships between these cities, even survived the Cold War period. The Union of the Baltic Cities was soon complemented by a network of sub-regional authorities, the Baltic Sea States Sub-regional Cooperation (BSSSC). Networks of cities and sub-regions have developed not only in the Baltic Sea and in the Danube Regions. They can be found in other European macro-regions (for example the ‘Alliance in the Alps’, a network of about 300 municipalities). It can be expected that such networks, which are often based on sister city agreements (Kern 2001), have a positive impact on the implementation of macro-regional strategies.

Moreover, macro-regionalisation also includes a trend toward trans-nationalisation of the civil society in the region. The Baltic Sea region for example has developed into a highly dynamic area of cross-border cooperation and transnational networking (Kern 2001; Kern 2011) that includes not only cities and subnational regions but also non-governmental organisations covering the whole macro-region. As macro-regional governance is not restricted to the nation-states, this requires the institutionalisation of new forms of cooperation at macro-regional scale. In macro-regions territorial cooperation is supported by EU funding (for example by INTERREG projects). Transnational institutions are a constitutive element of macro-regions, including hybrid arrangements of governmental and non-governmental actors (Joas et al. 2007). There are three types of transnationalisation: first the emergence of transnational networks and institutions such as the Danube Civil Society Forum or the Coalition Clean Baltic; second the transnationalisation of existing international and intergovernmental organisations that provide access to decision-making for non-governmental and subnational actors; third the establishment of new transnational institutions that are based on a multi-stakeholder approach and promote the participation of civil society from the outset (Kern and Löffelsend 2008). The combination of these three forms provides options for the direct involvement of stakeholders and the public at macro-regional scale. This development opens new opportunities, but it also leads to new challenges because stakeholder participation in macro-regions faces the same legitimacy and accountability problems as stakeholder participation at the global scale. Due to a lack of capacities, stakeholder participation, for example in the annual forums for the macro-regional strategies, seems to be limited to a small number of organisations who have sufficient capacities to participate in such events (Schneider 2013; Kodric 2011).

EU member states and non-members

As macro-regionalisation transcends EU borders, multi-level governance is not restricted to member states. Rather macro-regionalisation is based and strongly intertwined with EU enlargement (see Ágh 2010), the European Neighbourhood Policy (ENP) and related programs such as the Northern Dimension (Archer and Etzold 2008). The Northern Dimension was set up to create a framework for cooperation, in particular with the Russian Federation. This framework is important because Russia's integration is decisive for the development of the EUSBSR itself. Hence, the Director-General of the CBSS maintains:

“The strategy has improved transparency in regional cooperation, and the CBSS is together with e.g. Helcom and the Northern Dimension one of several platforms on which EUSBSR cooperation can occur, with participation also by non-EU BSR countries” (Lundin 2013: 15).

Since the launch of the EUSBSR, the EU has developed into a point of reference for many actors under the umbrella of the CBSS. The inclusion of (parts of) non-member states is a common feature of all macro-regional strategies which have been developed or proposed so far. Indeed, the EUSBSR as a reference point for cooperation in the Baltic Sea Region seems to be acceptable for non-EU-members who cannot become fully involved in the strategy but should naturally be included in any major framework of macro-regional cooperation (Etzold and Gänzle 2012: 8). With respect to the non-member states, it can be argued that macro-regional cooperation, in particular the establishment and consolidation of macro-regional institutions, may be conducive to processes of socialisation in the macro-region, including non-members like the Russian Federation.

This may explain why Russia pursues rather different strategies in the Baltic Sea and in the Black Sea regions. In the Baltic Sea area, Russia is cooperating, at least to a certain degree, due to the fact that the country signed and ratified the Helsinki Convention in the 1970s and is also a member of other intergovernmental institutions in the region (e.g., the Council of the Baltic Sea States or VASAB). This applies in particular to Russia's Northwest Region and the sub-national governments in this part of the country. Although Russia perceives the EUSBSR as an EU internal strategy, it has meanwhile launched a North-West Strategy which de facto provides for several interfaces with the EU strategy (Russian Federation 2012a and 2012b). In sharp contrast, the situation in the Black Sea is characterised by rivalry between Russia and Turkey as the most important geopolitical powers in the region. The role of the European Union, however, is rather weak because Bulgaria and Romania are the only member states in the region (Knudsen 2013).

6. Conclusions

The process of macro-regionalisation is deeply embedded in a historical trajectory which builds on transnational territorial cooperation. If macro-regionalisation is going to embrace the entire EU, one may assume that macro-regions have the potential to constitute an intermediary level of EU governance between the member states and the European Union. This means that the nation-state paradigm will be complemented by a macro-regional perspective.

An important feature of macro-regionalisation is the horizontal interplay between macro-regional strategies and existing institutions (such as the Council of Baltic Sea States, Helsinki Commission and Danube Commission). It can be argued that the existence of strong institutions such as HELCOM may lead to synergies and facilitate the emergence of decentralised institutionalised complexes in the macro-region, consisting of EU and macro-regional institutions. The co-evolution of HELCOM guidelines and EU legislation has already led to synergies because HELCOM guidelines influenced EU decision-making in Brussels and made EU legislation based on these guidelines binding for all member states; and *vice versa* the implementation of EU directives in the Baltic Sea Region has been improved by HELCOM initiatives. This case shows that the EU is in a position to co-opt macro-regional institutions like HELCOM that fulfills the tasks of a macro-regional environmental agency. This example also provides evidence that existing macro-regional institutions determine the outcome of macro-regional strategies. Macro-regional strategies, such as the EUSBSR, have the potential to serve as a reference point for macro-regional actors, in particular in cases such as the Baltic Sea, where a “high degree of institutionalisation has sometimes hampered rather than advanced the pursuance of effective and successful policies” (Joenniemi 2010: 33). Since macro-regions are multi-level systems, macro-regional strategies need to improve vertical interplay between and among intergovernmental organisations, nation-states, subnational governments, and stakeholders in the macro-region. Therefore, macro-regional strategies influence vertical interplay and may trigger territorial rescaling and the emergence of variable geometries of governance. This may empower regional stakeholders and provide new opportunities for the transnational cooperation of subnational governments and non-state actors, in particular major cities and sub-regions.

With respect to the implementation phase of EU macro-regional strategies, it can be argued that differing geopolitical constellations of old/new member and non-member states (Russia in the Baltic Sea; Norway in the North Sea), existing intergovernmental institutions (such as HELCOM), and the capacities of subnational authorities and non-governmental organisations may lead to considerable differences between macro-regional strategies. As macro-regionalisation leads to the development of new functional regions with flexible boundaries, differences between the policy areas of the same macro-regional strategy (in particular: environment, economic development, infrastructure/transport) may also become apparent. Hence it is fair to say that “[t]ailor-made solutions for each macro-region are needed in order to ensure that the macro-regional approach delivers added-value and helps to release undeveloped potential within a macro-region” (Dubois et al. 2009: 10).

However, macro-regionalisation has not spread evenly across Europe so far. Instead macro-regionalisation seems to centre primarily on central and northern European territories. There will be a slight shift with the newest strategy, i.e. the EU Strategy for

the Adriatic and Ionian Seas, but this shift will most likely be counterbalanced by the Alpine Strategy with its clear focus on Central Europe. In the long run, intersecting membership in several macro-regional strategies may change the power relations among the member states. Germany is already involved in both existing macro-regional strategies (Baltic Sea, Danube), and will also be involved in the Alpine Strategy. There have been discussions on macro-regional strategies that would include western European countries, in particular the discussion on a North Sea Strategy, but it is still an open question how these debates will develop and how western and southern European countries will be included in future strategies.

Macro-regional strategies have consequences at EU and national level: At EU level, macro-regional strategies require closer cooperation between the different DGs. At national level the most important impacts result from the fact that subnational authorities become involved in transnational activities in the macro-regions. This is most obvious when the German federal states of Baden Wuerttemberg and Bavaria get involved in macro-regional strategies and develop their own subnational foreign policy. Strengthening the international relations of macro-regions thus has repercussions on German federalism, in particular on the relationship between the federal government and the federal states. The recent development of the Danube Strategy shows that strong subnational authorities, such as the German states Bavaria and Baden Wuerttemberg, can become dominant players at macro-regional scale, which may in turn have repercussions on the domestic structures.

Macro-regionalisation, at least for the time being, seems to be far from establishing its own institutional, legal and financial frameworks, but it boosts functional cooperation at the transnational level and thus has the potential to reshape the existing architecture of multi-level governance in Europe.

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Table 1: Comparing territorial regions and macro-regions

	Territorial regions	Macro-regions
Space(s)	territorial space(s) defined by political and administrative territories	functional space(s) defined by functional relations
Boundaries	distinct and stable boundaries shift of competences between levels (devolution, decentralisation)	shifting/fuzzy boundaries may differ from territorial boundaries intersecting memberships
Institutions	multi-functional institutions task and responsibilities clearly defined	task-specific institutions institutions may differ between policy areas (such as the pillars of macro-regional strategies)
Governance	traditional forms of regional governance	new forms of regional governance such as public-private partnerships inter-municipal and interregional cooperation (within and beyond nation-states)

Compiled by authors, drawing from Hooghe and Marks (2003; 2010).

Endnotes

ⁱ While Salines (2010) does not provide a definition of the term, Gänzle and Kern (2011: 267) “conceive of *macro-regionalisation* – spurred by macro-regional strategies (MRS) – as processes, underpinned by a single strategic approach, which aim at the building of functional and transnational regions of those (administrative) regions and municipalities at the sub-national level of EU member and partner countries that share a sufficient number of issues in common.

ⁱⁱ Sweden, Denmark, Estonia, Finland, Germany (i.e. Hamburg, Schleswig-Holstein and Mecklenburg-Vorpommern), Latvia, Lithuania, Poland. The ‘partner countries’ are the Russian Federation and Norway.

ⁱⁱⁱ Germany (i.e. Baden-Wuerttemberg and Bavaria), Austria, Hungary, the Czech Republic, the Slovak Republic, Slovenia, Bulgaria, Romania, Serbia, Bosnia and Herzegovina, Croatia, Montenegro as well as Moldova and the South-Western part of Ukraine.

^{iv} Sub-regional cooperation has been referred to as “a process of regularised, significant political and economic interaction among a group of neighbouring states [...] between national governments, local authorities, private business and civil society actors across a wide range of issues” (Dwan, 2000, 81).

^v See Art. 174 TEU: “In order to promote its overall harmonious development, the Union shall develop and pursue its actions leading to the strengthening of its economic, social and territorial cohesion [...]”

^{vi} Personal information by a member of the Danube Forum of the European Parliament, February 22, 2013.

^{vii} In the Baltic Sea region the original four pillars were replaced by three objectives: (1) to save the sea; (2) to connect the region; and (3) to increase prosperity.

^{viii} In contrast to the Baltic Sea and the Danube Strategies, the EU Strategy for the Adriatic and Ionic Seas will focus much more on maritime issues.

^{ix} Several rounds of public consultations took place between August 2008 and February 2009 during the preparation of the EUSBSR (see Bengtsson, 2009, 3). Thus far, annual fora were held in Tallinn (2010), Gdansk (2011), Copenhagen (2012) and Riga (2013) for the EUSBSR and in Regensburg (2012) and Bucharest (2013) for the EUSDR.

^x Personal information by an official of the European Commission, April 2012.